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## GENERAL .

1. Schuman's German policy may meet Cabinet opposition -- US Ambassador Bruce in Paris expresses the opinion that French Foreign Minister Schuman is now more ready than ever to give favorable consideration to modifications of the dismantling program in Germany's favor, but that he may not be able to gain the support of the Bidault Cabinet, the Assembly, and the people. According to Bruce, Schuman's views on German matters may not be as well received by the present Cabinet as they were by the Queuille Cabinet, when Schuman could always count on the loyal and effective support of the Premier. Bruce believes that the recent Cabinet crisis took place in a tense atmosphere sharply affected by the difference of opinion between: (a) those who agree with Schuman that close Franco-German cooperation is essential; and (b) those who believe that, at least until a peace treaty is signed, Germany should be treated as a conquered nation.

(CIA Comment: CIA believes that although French opposition to a modification of the dismantling program may increase in the near future, Schuman will eventually win support within the Bidault Government for a more conciliatory German policy.)

2. UK moving toward recognition of Communist China -- According to US Ambassador Douglas in London, the UK Government has informed its representatives in the US, the Commonwealth countries and certain western European capitals of its decision to consult with friendly interested Governments regarding recognition of the Chinese Communist regime and has instructed the British representatives to obtain by 12 November the views of the governments to which they are accredited. The Government announcement, after summarizing the political and legal position of the UK in China, concludes that recognition should be

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## Approved For Release 2002/08/26 : CIA-RDP78-01617A006100040048-5 **TOP SECRET**

accorded the Chinese Communists. In explaining the UK position, the announcement adds that: (a) recognition is necessary to protect British interests in China; (b) recognition would not suggest approval of the political theories of the Chinese Communists; and (c) no commitments can be obtained from the Communists prior to recognition.

## FAR EAST

3. CHINA: US views on Taiwan—The Department of State has instructed US representatives in Chungking and Taipei to inform Acting President Li Tsung—jen and Generalissimo Chiang Kai—shek simultaneously: (a) that the US is concerned over the possibility of the chaos in mainland China spread—ing to Taiwan; and (b) that the US does not intend to commit any of its armed forces to the defense of Taiwan. The Department adds that the provision of any additional economic assistance to Taiwan will depend largely on the action of the present Chinese administration in improving the political and economic well—being of the people of Taiwan.